

# GIANT EXPLORATIONS LIMITED

(NON-PERSONAL LIABILITY)

AR35



## FIFTH ANNUAL REPORT

for the year ended November 30, 1970





## FIFTH ANNUAL REPORT

### GIANT EXPLORATIONS LIMITED

*(Non-Personal Liability)*

(Incorporated under the laws of the Province of British Columbia)

Listed on the Vancouver Stock Exchange.

#### DIRECTORS

A.H. AINSWORTH, Vancouver  
K.G. BREAM, Toronto  
R.B. CARLETON, Montreal  
J.L. GIBSON, Vancouver  
W.C. GIBSON, Vancouver  
H.A. McDIARMID, Vancouver  
L.P. STARCK, Vancouver  
J.T. WANAMAKER, Montreal

#### OFFICERS

W.C. GIBSON, Chairman of the Board  
L.P. STARCK, President and Managing Director  
A.H. AINSWORTH, Secretary and General Counsel  
R.J. COBB, Treasurer and Chief Financial Officer

#### REGISTERED OFFICE

625 - 925 West Georgia Street, Vancouver

#### ADMINISTRATIVE OFFICE

1131 Melville Street, Vancouver 5, B.C.

#### REGISTRAR AND TRANSFER AGENTS

Canada Permanent Trust Company, Vancouver

#### SOLICITORS

Ainsworth, Henson, Norby, Purvis & Kendall,  
Vancouver



## REPORT OF THE DIRECTORS

For Giant Explorations the year ended November 30, 1970, proved to be the most rewarding in its history as during the year the integrated geochemical, geophysical and geological techniques developed by the Company in recent years as a method of reconnaissance exploration proved their value in establishing the Nickel Syndicate property as an exploration prospect of most interesting potential. In addition to the Nickel Syndicate program carried on by the Company as a joint venture with Giant Mascot Mines Limited, the Company also participated with Pacific Petroleum Ltd., as the Hedley Syndicate, in exploration in the Beaverdell-Greenwood and Hedley areas, and carried out further geophysical work at the Nahwitti Lake property as part of a continuing program to evaluate its potential. A detailed report on these programmes by W.E. Clarke, B.Sc, P. Eng., the Company's Chief Geologist and Manager Explorations, accompanies this report.

To provide the necessary financing for the Company during 1970, including the cost of maintaining the Company's 50% interest in the Nickel Syndicate program which had been initiated in 1969, a private placement of 225,000 treasury shares of the Company was arranged with Giant Mascot Mines Limited from which \$50,625 was received. On the basis of the results obtained in the Nickel Syndicate program during 1970, however, the possibility of the Company obtaining financing for 1971 by way of a public underwriting is presently being examined.

As in the past, the Company, during 1970 examined many prospects of merit and will continue to do so on at least the same scale in 1971, notwithstanding the fact that the Company's principal activity will consist of its participation in the substantially expanded program which is planned for the Nickel Syndicate property and the continuing program proposed to be undertaken by the Hedley Syndicate.

The program planned for the Nickel Syndicate property in 1971 is designed to test the five major geochemically anomalous areas of coincident nickel, copper and lead values, which were found to be not only associated with aeromagnetic anomalies, but also situate in areas where the rock types were of the same character as those in which commercial deposits of nickel copper have been found in the Giant Mascot Nickel mine, which adjoins the Nickel Syndicate property to the southeast. To date eight such areas of ultrabasics and other favourable host rocks have been defined as indicated on the map which accompanies Mr. Clarke's report. Apart from the fact that, as already noted, at least five geophysical and geochemical anomalies have been indicated, field surveys have discovered to date two areas of surface mineralization from which samples running from 0.18% to 0.23% in nickel values have been obtained. In view of the size of the anomalous areas which are involved, ground geophysical work and detailed geological mapping will first be undertaken in order to delimit more closely the optimum areas for diamond drilling and surface stripping.

On behalf of the Board

"L.P. STARCK"

L.P. Starck,  
President and Managing Director



The President & Directors  
Giant Explorations Limited (N.P.L.)  
1131 Melville Street  
Vancouver 5, B.C.

Gentlemen:

During the fiscal year ended November 30, 1970, the Company's principal exploration activities consisted of its participation in the Nickel Syndicate, the Hedley Syndicate and a continuing program at Nahwitti Lake in British Columbia. Interesting prospects were examined in Western Canada, the Yukon Territory and a number of the Western States, some of which warrant further investigation.

The Nickel Syndicate property lying to the southeast of Harrison Lake became the major exploration effort for your Company in 1970. In view of the encouraging geochemical and geophysical results, the size of the property was increased to 564 claims. Although the geologic data at hand must still be considered of a preliminary nature, it is sufficiently significant that detailed exploration of specific areas at an increased tempo will be undertaken in 1971.

As part of the Company's continuing program at its Nahwitti Lake property on Vancouver Island, an Induced Polarization survey was carried out over a portion of the property.

Work continued on properties previously acquired by the Hedley Syndicate and as a result of a review of the geological data accumulated over the past four years by the Syndicate, the Company and Pacific Petroleum Ltd., as the members of the Syndicate, have agreed to extend the program of reconnaissance prospecting into certain adjoining areas of interest and to continue exploration of other sectors previously prospected.

Total exploration expenditures for the year ended November 30, 1970 were \$116,388 of which \$103,417 was spent on exploration and operating expenses, \$5,549 on additions to vehicles and exploration equipment and \$7,422 on property payments.

## **PROPERTIES**

### **1. Nickel Syndicate — 50% interest — 564 claims**

This joint venture with Giant Mascot Mines Limited, on an equal basis, was considerably expanded during the year, and as a result of the reconnaissance exploration the property was enlarged from 240 to 564 claims, covering favourable geological structures and rock types, from the northwesterly boundary of the Giant Mascot mine property westerly through to Harrison Lake.

An airborne magnetometer survey of the Syndicate's area of interest and the Giant Mascot property, an area of approximately 85 square miles, was conducted at nominal quarter mile spacing, utilizing a Scintrex NPM-1 Nuclear Resonance, total intensity magnetometer, suspended 50 feet below a Bell 206 helicopter, maintaining a mean terrain elevation of 300 feet. Sixty flight lines, measuring a total of 335 line miles, were flown in a northeast-southwest direction. The results of this survey have been and will continue to be of value in subsurface interpretation of geological formations and structural conditions.

Geochemical soil sampling and, where possible, collection of rock samples, were carried out concurrently, along contours at approximately 400 foot elevation differentials and 200 foot sample intervals, covering a major portion of the property. Over 4,000 soil and 600 rock samples were collected. The soil samples were tested for copper, nickel and lead, while mineralized rock samples were assayed for nickel and copper.

Correlation of all data has indicated at least five areas of coincident geochemical copper and nickel values, in direct association with ultrabasics and other rock types common to the Giant Mascot mine area, with a further significant association with the airborne magnetics. Mineralized samples from two areas of ultrabasics in the south-central sector of the property, near the headwaters of Talc Creek, returned interesting nickel values.



The proposed program for 1971 provides for an overall acceleration of exploration work. The five selected areas will be subjected to detailed geochemical, geological and geophysical surveying to locate specific diamond drill targets. Reconnaissance exploration will be continued over the balance of the property.

## **2. Nahwitti Lake — 111 recorded mineral claims near Port Hardy, B.C.**

The two well-defined airborne electromagnetic anomalies, located in 1969, were further tested by 3.5 line miles of ground Induced Polarization survey, combined with geochemical and geological reconnaissance. Sulphides, essentially pyrite with lesser quantities of chalcopyrite, were observed in several localities. Certain economies were effected by co-ordinating the geophysical surveys with a like program carried out by adjoining property holders, and this cooperation may well be advantageously continued in the future.

Additional claims were staked to protect the geophysical anomaly at the east end of the property.

An Induced Polarization survey of a portion of the western sector of the property, underlain by intrusive rocks, is planned as part of the 1971 program.

## **3. Hedley Syndicate — 50% interest**

This fifty-fifty prospecting joint venture with Pacific Petroleum Limited was continued in the Beavercreek-Greenwood and Hedley areas. The program this year consisted largely of geochemical and geological investigations of promising targets located during previous years.

In the Beavercreek-Greenwood area, the claim group on the Tuzo Creek watershed was enlarged, but after further detailed examination some of the claims were allowed to lapse, and the property presently consists of 21 claims. Geochemical and geological work indicated a porphyry intrusive, with scattered molybdenum mineralization along the east-central property boundary, which undoubtedly contributed to the anomalous geochemical values.

Several claim groups in the Hedley area did not respond to detailed geochemical and geological investigation and were allowed to lapse.

A review and reassessment of all work over the past four years has resulted in the proposal to enlarge one of the areas of interest and pursue in more detailed fashion other specific targets, requiring an increase in the budget for 1971.

## **4. Other Properties**

No work was carried out this year on the G.M. Group, 250 miles east of Yellowknife, N.W.T., held in partnership with Ulster Petroleum Ltd. and Western Exploration Ltd., and as there were no significant developments on other properties in the area during the year, certain of the claims were allowed to lapse.

The O.K. Group in the Vangorda-Dynasty area in the Yukon were maintained in good standing.

The Mag Group in the Pine Point area of the Northwest Territories and the Bow Group in the Sekulmun Lake area of the Yukon were allowed to lapse.

## **PROPERTY EXAMINATIONS**

A total of 51 prospects were presented to the Company for consideration during the year, a substantial proportion of which was examined in the field.

Respectfully submitted,

"W.E. CLARKE"

W.E. Clarke, B.Sc., P. Eng.  
Chief Geologist — Manager Explorations





LEGEND



ULTRABASICS AND ASSOCIATED  
FAVOURABLE HOST ROCKS



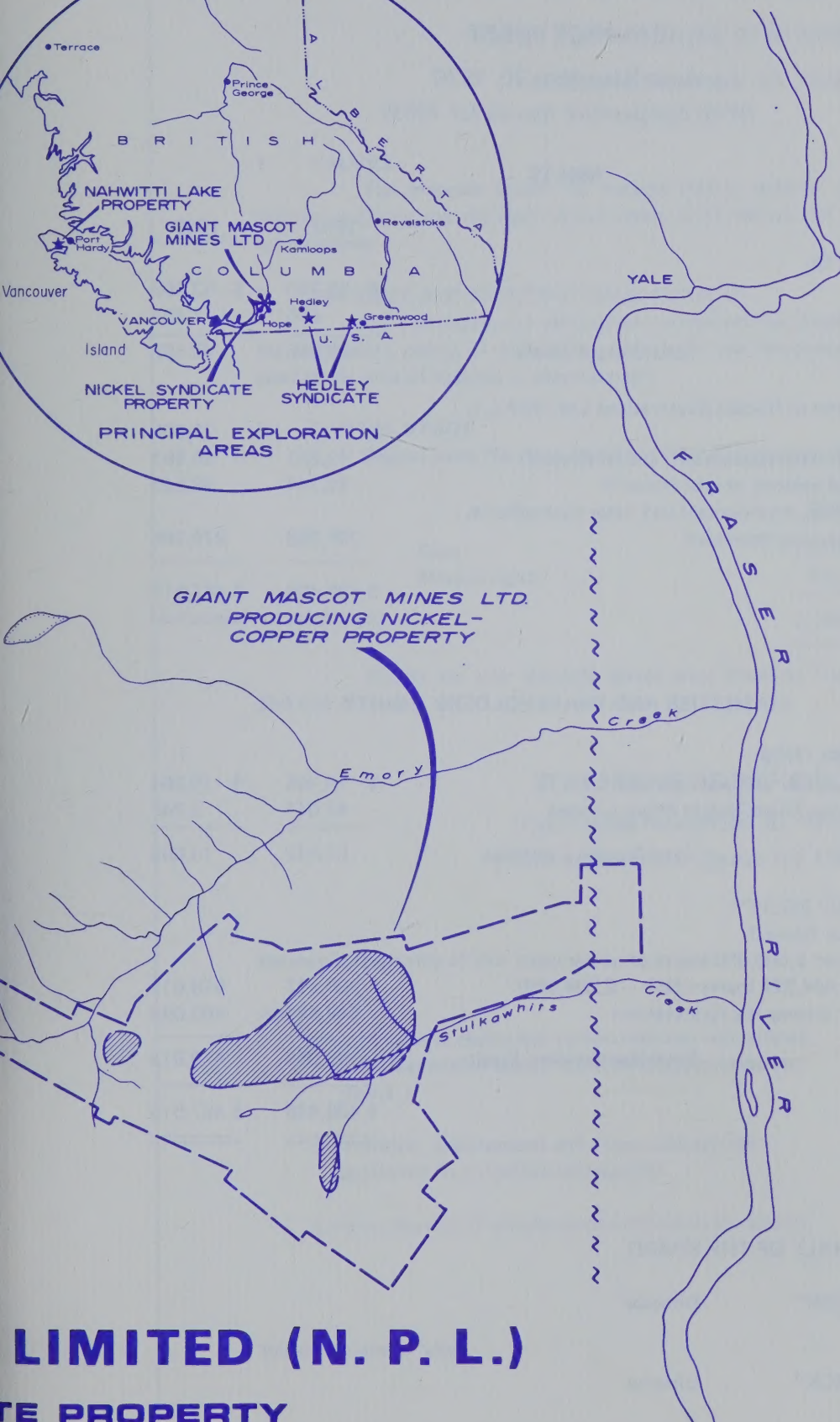
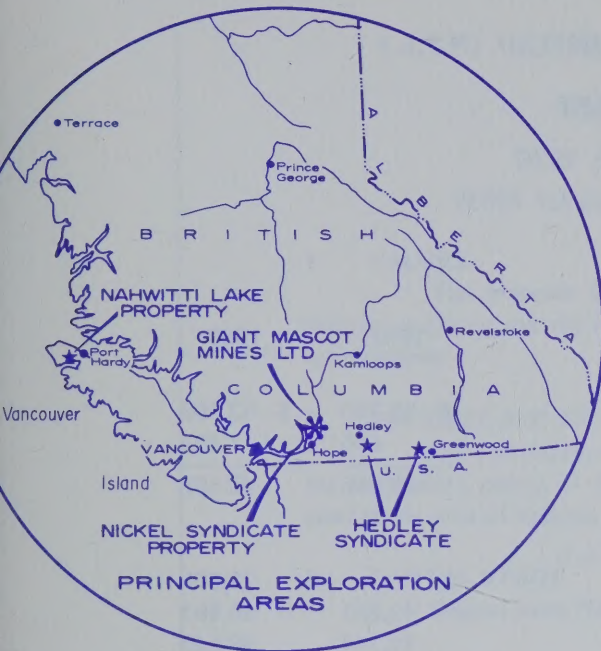
MAJOR FAULTS FROM  
G.S.C. MAP 12-1969

**GIANT EXPLORATION**

**NICKEL SYNCLINE**

MILES 1 1/2 0 1





**LIMITED (N. P. L.)**  
**TE PROPERTY**

0 3 4 MILES

# GIANT EXPLORATIONS LIMITED (N.P.L.)

## BALANCE SHEET

As at November 30, 1970

(With comparative figures for 1969)

### ASSETS

	1970	1969
CURRENT ASSETS:		
Cash	\$ 55,240	\$ 53,202
Receivables	645	7,493
Total Current Assets	55,885	60,695
Investment in shares of Macsan Explorations Ltd. (N.P.L.), at cost	—	22,500
Vehicles and exploration equipment, at cost (Note 2)	43,581	65,691
Mineral claims and options, at cost (Note 1)	43,744	58,645
Deferred exploration, development and other expenditures, per accompanying statement	295,288	279,988
	<u>\$ 438,498</u>	<u>\$ 487,519</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 10,165	\$ 10,364
Advances from Giant Mascot Mines Limited	47,677	3,242
Total Current Liabilities	57,842	13,606
SHAREHOLDERS' EQUITY:		
Capital stock (Note 3)		
Authorized 5,000,000 shares of no par value		
Issued 2,494,224 shares (1969 — 2,269,224)	930,237	879,612
Deficit, per accompanying statement	549,581	405,699
Total Shareholders' Equity	380,656	473,913
	<u>\$ 438,498</u>	<u>\$ 487,519</u>

SIGNED ON BEHALF OF THE BOARD

"W.C. GIBSON" Director

"L.P. STARCK" Director



# GIANT EXPLORATIONS LIMITED (N.P.L.)

## NOTES TO FINANCIAL STATEMENTS

Year Ended November 30, 1970

### 1. VALUES

The amounts shown for mineral claims, options to acquire mineral claims and deferred expenditures represent accumulated costs and are not intended to reflect present or future values.

### 2. VEHICLES AND EXPLORATION EQUIPMENT

No depreciation of vehicles and equipment has been recorded in the accounts. It is the Company's policy to write off to deficit the cost less proceeds of sale applicable to each asset at the time of disposal or abandonment.

### 3. CAPITAL STOCK

Capital stock has been issued for the following consideration:

	<u>Shares</u>	<u>Amount</u>
Cash	1,978,224	\$ 872,237
Mineral rights	516,000	58,000
	<u>2,494,224</u>	<u>\$ 930,237</u>

During the year 225,000 shares were issued to Giant Mascot Mines Limited for \$50,625 in cash.

## STATEMENT OF DEFICIT

Year Ended November 30, 1970

*(With comparative figures for 1969)*

	<u>1970</u>	<u>1969</u>
Balance at beginning of year	\$ 405,699	\$ 260,684
Add:		
Cost of mineral claims and option interests relinquished, including cost of shares in Macsan Explorations Ltd. (N.P.L.)	44,822	15,299
Exploration, development and other expenditures applicable to properties relinquished	88,117	128,711
Loss on disposal of vehicles and exploration equipment	10,943	1,005
	<u>143,882</u>	<u>145,015</u>
Balance at end of year	<u>\$ 549,581</u>	<u>\$ 405,699</u>



# GIANT EXPLORATIONS LIMITED (N.P.L.)

## STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES

Year Ended November 30, 1970

(With comparative figures for 1969)

	1970	1969
Exploration and development:		
Engineering and geological surveys	\$ 54,744	\$ 77,564
Camp operation and accommodation	16,053	22,247
Diamond drilling	2,125	11,151
Travel and vehicle operating	12,409	24,404
Assays, geophysical and geochemical surveys	31,995	34,630
Filing fees and sundry	5,399	5,223
Road building	—	2,800
	<u>122,725</u>	<u>178,019</u>
Less portion applicable to joint venture partners	44,794	46,126
	<u>77,931</u>	<u>131,893</u>
Administration:		
Legal and audit	7,700	8,698
Office operating	9,797	12,416
Transfer agent's fees	2,851	3,233
Shareholders reports, meetings, etc.	1,602	2,176
General supervision	6,362	6,000
Insurance	741	808
	<u>29,053</u>	<u>33,331</u>
Less rental and interest income	3,567	10,397
	<u>25,486</u>	<u>22,934</u>
Net expenditures for the year	103,417	154,827
Balance deferred at beginning of year	279,988	253,872
	<u>383,405</u>	<u>408,699</u>
Deduct expenditures applicable to properties relinquished during year	88,117	128,711
	<u>\$ 295,288</u>	<u>\$ 279,988</u>

### Allocation to mineral claims:

	Balance at beginning of year	Expenditures during the year	Charged to deficit	Balance at end of year
Hedley Syndicate	\$ 66,845	\$ 8,550	\$ —	\$ 75,395
Nahwitti Lake	147,392	6,480	—	153,872
Nickel Syndicate	16,572	49,449	—	66,021
Others	49,179	38,938	88,117	—
	<u>\$ 279,988</u>	<u>\$ 103,417</u>	<u>\$ 88,117</u>	<u>\$ 295,288</u>



# GIANT EXPLORATIONS LIMITED (N.P.L.)

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year Ended November 30, 1970

(With comparative figures for 1969)

	1970	1969
Source of Funds:		
Issue of capital stock for cash	\$ 50,625	\$ 145,000
Proceeds from sale of vehicles and exploration equipment	16,717	250
	<u>67,342</u>	<u>145,250</u>
Application of Funds:		
Additions to vehicles and exploration equipment	5,549	10,097
Purchase of mineral claims and option payments	7,422	6,112
Purchase of shares of Macsan Explorations Ltd. (N.P.L.)	—	22,500
Exploration, development and other expenditures	103,417	154,827
	<u>116,388</u>	<u>193,536</u>
Decrease in working capital	<u>49,046</u>	<u>48,286</u>
Working capital at beginning of year	<u>47,089</u>	<u>95,375</u>
Working capital (deficiency) at end of year	<u>\$ (1,957)</u>	<u>\$ 47,089</u>

## AUDITORS' REPORT

To the Shareholders of  
Giant Explorations Limited (N.P.L.)

We have examined the balance sheet of Giant Explorations Limited (N.P.L.) as at November 30, 1970 and the statements of deficit, deferred exploration, development and other expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at November 30, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

"THORNE, GUNN, HELLIWELL & CHRISTENSON"

Thorne, Gunn, Helliwell & Christenson  
Chartered Accountants

December 29, 1970



